DEPARTMENT OF THE TREASURY

INFORMATION TECHNOLOGY (IT)

CAPITAL PLANNING AND

INVESTMENT CONTROL (CPIC) PROCESS

PLANNING GUIDE

September 2002

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TREASURY IT CAPITAL PLANNING AND INVESTMENT CONTROL (CPIC) PROCESS GUIDE

OVERVIEW

This guide establishes the processes and procedures that will be used by the Department of the Treasury and the bureaus. It states the basic CPIC and Enterprise Architecture requirements for the Department and all bureaus (as previously established by Treasury policy memorandums, directives and documents). Treasury's IT CPIC guide provides for a structured, integrated approach to managing expenditures. The Office of the Chief Information Officer designed this guide to insure compliance with the Clinger-Cohen Act and OMB guidance. It ensures that all IT capital investments align with the mission and support business needs while minimizing risks and maximizing returns throughout the investment's lifecycle. The CPIC guide relies on a systematic selection, control, and evaluation process to ensure each investment's objectives support the business and mission needs of the Department. Each bureau is to establish or update its own processes and procedures in order to be consistent with this guide.

What is CPIC?

The CPIC is a dynamic process in which investments are continually monitored throughout the lifecycle. Sustained investments and those that are cancelled, terminated or delayed are evaluated to assess the impact on future proposals and to benefit from any lessons learned. There are four main phases to IT CPIC:

Pre-Select

Provides a process and mechanism to assess a proposed project's support of Bureau and Treasury strategic and mission needs.

Select

Projects are chosen that best support the organization's mission and that comply with an organization's enterprise architecture.

Control

Ensure investments are conducted in disciplined, well managed, and consistent manners, promoting the delivery of quality products and results.

Evaluate

Ensure that once a project has been completed, actuals versus planned are assessed and lessons learned documented.

This Guide

Specifically, this guide will

- Provide descriptions of roles and responsibilities and relevant definitions. (Section 1)
  - Define the following terms, as a means to describe the department's expectations for how bureaus are to classify their systems:
    - Project
    - System
    - Initiative
    - Major
    - Small/Other
- Establish a high level CPIC review process for the Department as well as the bureaus. (Section 2)
  - Describe the roles and responsibilities in the investment review process.
- Describe the relationship between CPIC and the Information Technology Investment Portfolio System (I-TIPS). (Section 3).

- The Appendices provide further information about the CPIC process:

  - Appendix A lists what data are to be entered in I-TIPS during the CPIC phases and includes a copy of the FY 2004 Exhibit 300.
  - Appendix B provides the approximate timeline when actions must be taken in I-TIPS to meet Treasury and OMB deadlines.
  - Appendix C provides a template for assessing the completeness of an Exhibit 300. This template is based on the criteria used by the Department and OMB.
  - Appendix D is a CPIC process assessment tool.
  - Appendix E provides a complete description of the four CPIC phases.
  - Appendix F lists references and helpful sources.

SECTION 1 - INTRODUCTION

PURPOSE

This guide describes the Treasury's CPIC Process. This guide outlines a framework for Treasury and its bureaus to manage investment portfolios. This investment management process allows optimization of the benefits from the allocation of limited IT capital resources, addressing the strategic needs, and complying with statutory laws and guidance.

LEGISLATIVE BACKGROUND AND ASSOCIATED GUIDANCE

Seven recent statutes require Federal agencies to revise their operational and management practices to achieve greater mission efficiency and effectiveness. These laws include:

- The Chief Financial Officer (CFO) Act of 1990
- The Government Performance and Results Act (GPRA) of 1993
- The Federal Acquisition Streamlining Act (FASA), Part V, of 1994
- The Paperwork Reduction Act (PRA) of 1995
- The Clinger-Cohen Act (CCA) of 1996
- Government Paperwork Elimination Act (GPEA) of 1998
- The Government Information Security Reform Act (GISRA) of 2000.

Beyond the legislative background, there is extensive guidance from the Federal Chief Information Officer (CIO) Council, the Office of Management and Budget (OMB), the General Accounting Office (GAO), and others. For more information on ensuring the integrity of the data on systems and protecting the privacy of individuals, consult the Department's IT Security Manual (TD P 71-10), the Information System Life Cycle Manual (TD P 84-01), and high level guidance such as the Clinger-Cohen Act, Computer Security Act, GISRA, or OMB Circular No. A-130, Appendix III.

SCOPE

The Department and all Treasury bureaus are to comply with this CPIC guide.

GENERAL ROLES AND RESPONSIBILITIES

The following decision-making bodies and personnel are key to an effective CPIC process:

- **Investment Review Board (IRB)**—The purpose of the Board (or its equivalent) is to oversee and prioritize information technology investments. In addition, the IRB implements an investment review process that supports budgeting for Treasury's IT Capital investments. That process also ensures the regular monitoring and proper management of these investments, once funded. A major result of this investment review process will be a regularly updated investment portfolio, based on an analysis of alternatives, which supports the Treasury business strategic plan.
- **Key Decision-Makers**—Treasury and the bureaus have a governance process with designated approval groups responsible for ensuring that proposed investments meet Treasury's strategic, business, production and technical objectives.
    - **Chief Information Officer**—The Chief Information Officer (CIO) is responsible for working with the other offices and the IRB to manage investments and comply with legislative and OMB-defined responsibilities as they relate to IT capital investments.

- **Chief Procurement Officer**—The Chief Procurement Officer (CPO) or equivalent Procurement Executive must review the acquisition strategy of each major investment. The CPO is also responsible for reporting compliance with FASA V to OMB.
- **Chief Financial Officer**—The Chief Financial Officer (CFO) must review the cost goal of each major investment. The CFO is also responsible for reporting financial management information to OMB as part of the President's Budget, as well as complying with legislative and OMB-defined responsibilities as they relate to IT capital investments. The Report on Resources for Financial Management Activities (OMB Exhibit 52) is one of the exhibits used. On the Exhibit 52, one set of data elements relates to financial management systems. These data must be consistent with like data reported by the Chief Information Officer in the IT Investment Portfolio (OMB Exhibit 53). As a result, the CFO and CIO must coordinate these reports.

- **Other Key Personnel, Offices, and Groups**
  - **Project Managers (PMs)**—PMs must focus on three dimensions of project success: budget, time, and performance or quality of results.
  - **Strategic Planners**—Strategic Planners are responsible for the organization's strategic plans, annual performance plans and reports. Treasury investments, particularly major investments, must be associated with one or more of the organizational strategic goals and should be included in the organization's annual performance plan, so coordination is critical. Furthermore, major investments must support an enterprise architecture and have defined performance goals and metrics that relate to business improvements. The development of performance goals and metrics should be coordinated with the strategic planning office.
  - **Enterprise Architects**—Enterprise architects align the investments with business needs and strategic goals. Enterprise architecture is a mechanism for bridging the gap between business strategy and technology implementation.
  - **Technical Review Team/Decision Support Team (DST)**—Technical Review Teams and DSTs are responsible for assessing how well potential major investments meet a predetermined set of IT capital planning decision criteria, including technical requirements, and providing recommendations to the IRB. The DST provides the necessary analysis for IRB discussion and decisions. This group is typically composed of representatives from the CIO, CFO and business organizations. Areas of expertise should include architecture, security, and budget, among other things.
  - **Budget Office**—The Budget Office has responsibility for developing the Department's budget submission to OMB. Because the IT Budget Exhibits 300, 53 and 52 are considered parts of the President's Budget, these exhibits need to be coordinated with Budget Office.
  - **Other Committees and Councils**—Other groups chartered to support the CPIC process may include groups responsible for reviewing all major acquisition requests as well as technical, security and enterprise architecture review boards and committees.

DEFINITION OF KEY TERMS

• CPIC PHASES

At the highest level, the CPIC is a circular flow of Treasury's IT capital investments through four sequential phases: Pre-Select, Select, Control, and Evaluate. Applicable to the Department and the bureaus, these phases are:

- **Pre-Select Phase**—This phase is not a discrete point in time, but in fact takes place at various points of the year. Through this phase, executive decision-makers assess organizational needs and requirements, recent legislation, and the environment in order to identify new projects. Proposed projects will support Treasury's strategic and mission needs. Project Managers begin compiling the information necessary for supporting a detailed proposal assessment that will be used in the Select Phase.

- **Select Phase**—This phase is geared towards new projects. The organization will use this phase to screen new concepts and decide which ones are to be analyzed further. Investment analyses are conducted and the full business case is developed. The organization will examine the full IT portfolio and select those projects for which the bureau wishes to proceed as new projects or new initiatives. These new projects and initiatives will support the mission of the organization, comply with Enterprise Architecture standards, and support the overall strategic plan.
- **Control Phase**— This phase applies to both projects and systems. Projects being developed or implemented are controlled for Earned Value, schedule, cost, and project performance. Through this work, the organization ensures that the projects are executed or developed in a disciplined, well-managed, and consistent manner through timely oversight, quality control, and executive review.

  Systems are controlled for cost and performance. During this phase, mature systems and equipment are assessed to ascertain their continued effectiveness in supporting mission requirements, evaluate the cost of continued maintenance support, assess potential technology opportunities, and consider retirement or replacement options.
- **Evaluate Phase**— This phase applies only to completed or cancelled projects. An after action review is conducted to determine that the project really should be cancelled or declared as completed. Actual results of the completed projects are compared to expectations to assess investment performance. This is done to assess the project's impact on mission performance, identify any modifications that may be needed, and revise the investment management process based on lessons learned. Lessons learned are recorded.

Each of these four phases is structured in a similar manner using a set of common elements. These common elements provide a consistent and predictable flow and coordination of activities within each phase.

- **INITIATIVE**—The business case "package" or OMB Exhibit 300 included as part of a budget submission.
- **INVESTMENT**—A project, system, or program for which budgetary resources (i.e., appropriations, working capital funds, etc.) are requested.
- **PROGRAM**—A group of related projects managed in a coordinated way. Programs usually include an element of an ongoing activity [ref: A Guide to the Project Management Body of Knowledge, 1996].
- **PROJECT**—An activity wherein a system is designed, developed, and implemented. A project has a defined start and end date. A project also includes the purchase of hardware and software from a third party.
- **SYSTEM**—An operating IT system, undergoing operations and maintenance. Also, normally considered to be in "steady state" for budget purposes.
- **MAJOR SYSTEM**

  A "**Major System**" must meet at least one of the following criteria:

- Equipment, IT and intellectual property (software) to be acquired and used, with an estimated useful life of two years or more, and requiring an investment of $5,000,000 or more each year. For financial systems, the investment is $500,000 or more each year
- Total life cycle costs greater than $50 million
- The project or initiative directly supports the President's Management Agenda items or other Administration efforts or priorities.
- It is eGovernment in nature or uses e-business technologies regardless of the costs.
- Significant cross-agency impact
- Mandated by legislation or executive order, or identified by the Secretary as mission critical
- Relevant to a Critical Infrastructure Program (CIP) function or asset
- A Treasury strategic or mandatory-use system
- Significantly differs from or impacts on the Treasury infrastructure, architecture, or standards guidelines.

These investments are considered to be major and will be reported to OMB on the Budget Exhibit 300. It should be noted that OMB requires that at least 60% of Treasury's total Department-wide IT portfolio be reported as "major" investments.

SMALL/OTHER SYSTEM

A "**Small/Other**" is a system or project that is not considered "major".

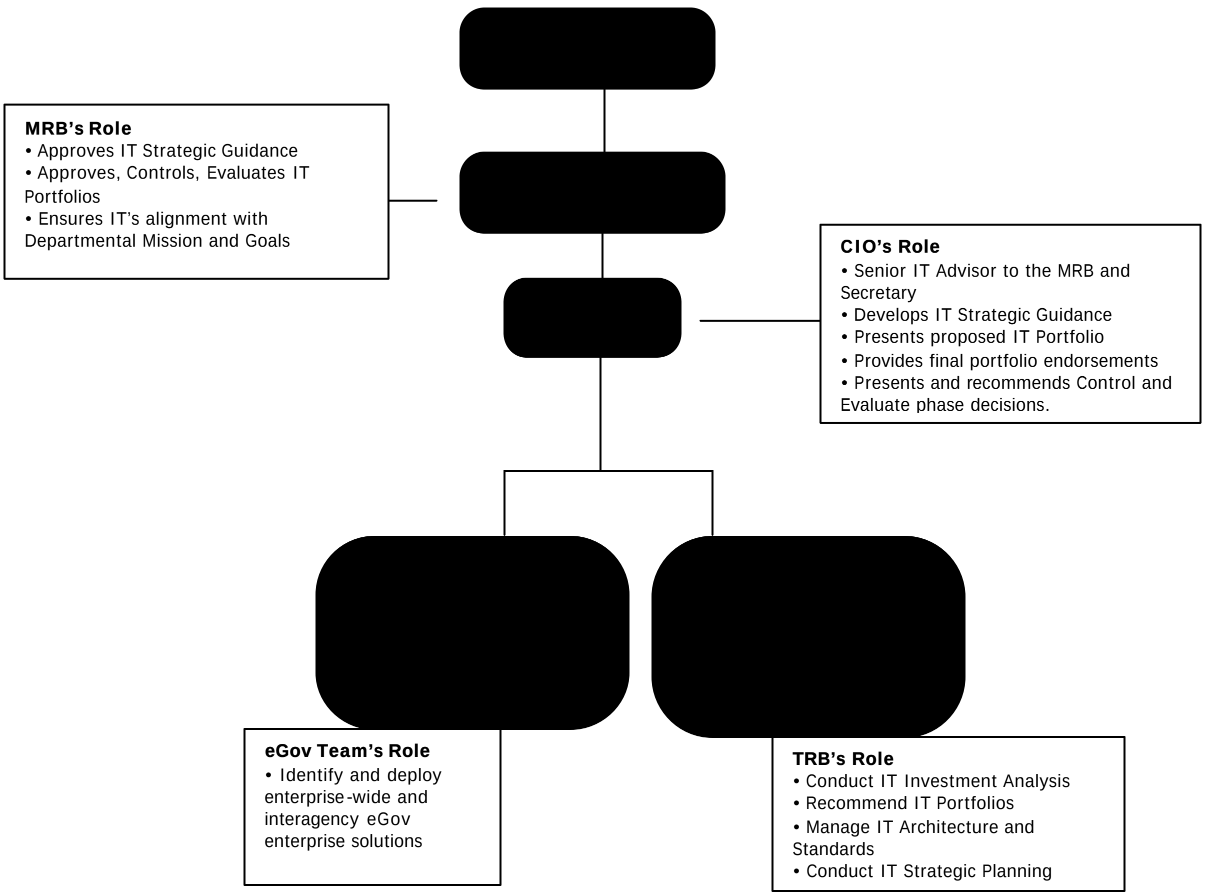
All "major" and "small/other" systems and projects must be included on the Budget Exhibit 53.

SECTION 2 – TREASURY INVESTMENT REVIEW PROCESS

DESCRIPTION OF STRUCTURE, ROLES, AND RESPONSIBILITIES AT TREASURY

The Department has established an IT investment review and approval hierarchy that is based on project size and scope. The review and approval process uses an Investment Review Board structure to support decisions on IT investments. Small/Other projects are approved at the bureau level. Major projects are reviewed by the following investment review board entities.

U.S. DEPARTMENT OF THE TREASURY
INVESTMENT REVIEW BOARD (IRB) STRUCTURE



Accompanying the Treasury IRB structure is a Departmental review process described in the figure below.

TREASURY IT REVIEW PROCESS: ROLES, RESPONSIBILITIES AND DECISION THRESHOLDS

Roles	**Responsibilities and Decision Thresholds**
Management Review Board (MRB)	The MRB approves IT strategic guidance; approves, controls, and evaluates Departmental IT portfolio; approves all initiatives over the $10 million threshold; and ensures alignment between IT investments and the mission, goal, and objectives of the Department.
Office of the Chief Information Officer (OCIO)	The OCIO reviews and approves all IT initiatives between $5 million and $10 million thresholds. The OCIO also reviews all other IT initiatives over the $10 million threshold and informs the Technical Review Board of the disposition of these initiatives in addition to establishing the Departmental IT capital investment process.
Technical Review Board (TRB)	The TRB serves as the Department's first-tier review board for all major IT initiatives. The TRB makes recommendations to the OCIO and the MRB. The TRB is comprised of a permanent sub-committee, the Treasury Architecture Working Group (TAWG) and is supplemented by staff from other Treasury offices.

USE OF THE INFORMATION TECHNOLOGY INVESTMENT PORTFOLIO SYSTEM (I-TIPS)

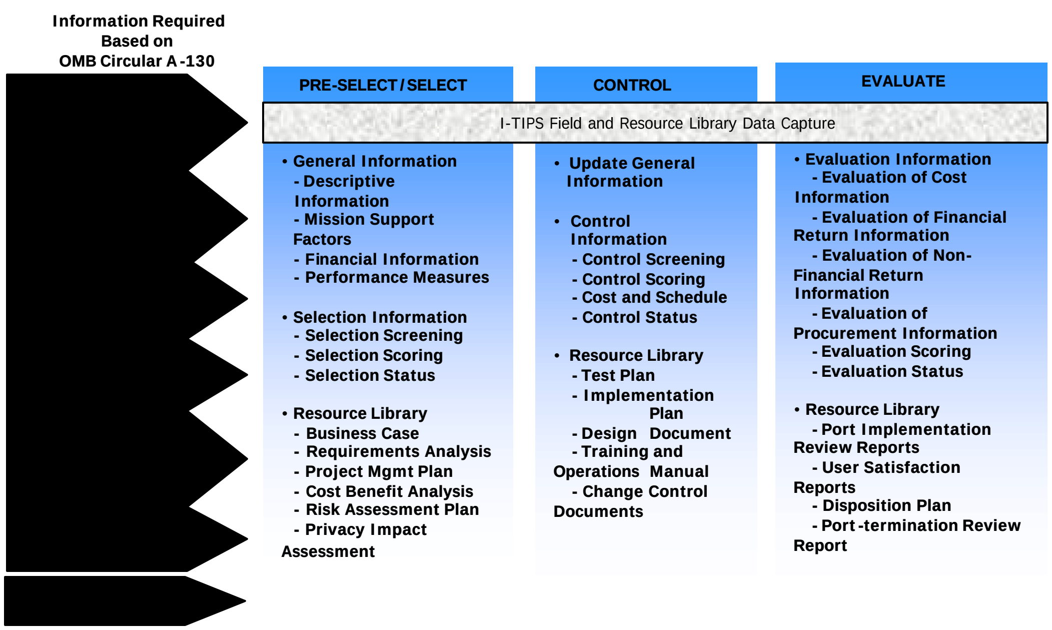
I-TIPS is the "Information Technology Investment Portfolio System." I-TIPS brings consistency to IT planning, budget formulation, and management processes and provides ready access to the information needed to prioritize, select, control, and evaluate IT projects.

All "major" projects as well as "small/other" projects identified in the OMB Exhibit 53 must be entered into I-TIPS.

For assistance, please contact the I-TIPS help desk at *i-tips.help@do.treas.gov*.
I-TIPS is located at http://itips01.cio.treas.gov.

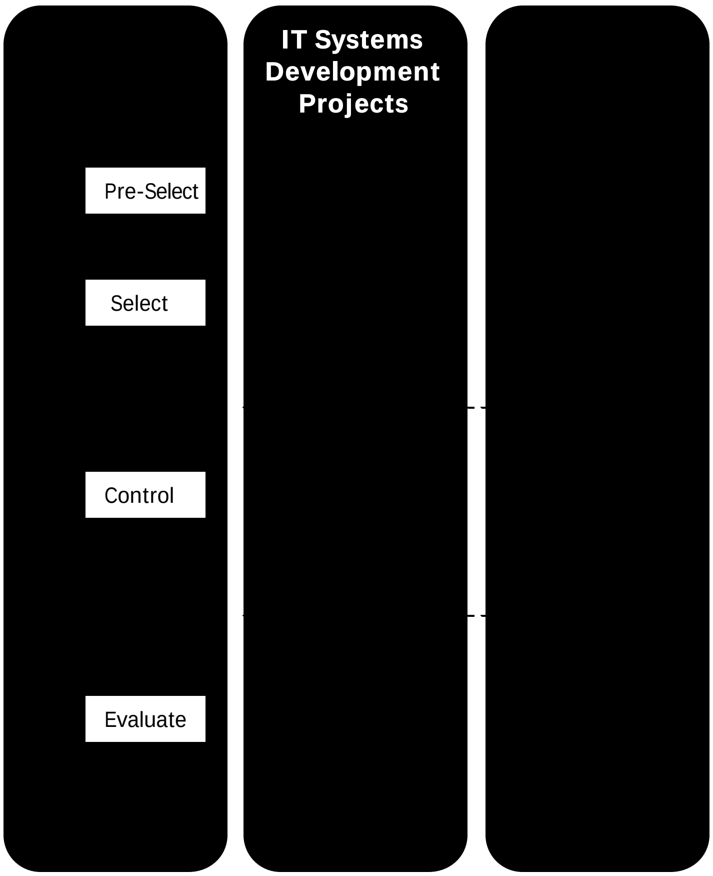
I-TIPS captures a vast amount of information to help all participants in CPIC develop, monitor and control IT projects. The figure below provides an overview of the information required by OMB Circular A-130, Management of Federal Information Resources, as it is captured in I-TIPS.

IT PROJECT MANAGEMENT INFORMATION CAPTURED IN I-TIPS



PROJECT MANAGEMENT: I-TIPS, SECURITY, PRIVACY, AND CPIC

The figure below provides an overview of the Treasury's project management framework. The framework introduces the concept that there are specific phases of a project from beginning to end. Each phase has its own set of activities and documentation requirements to ensure that the project is well-managed. The Department has established a lifecycle model that may be tailored to the unique needs of an information system project. The Framework also associates each of these phases with the IT Capital Planning and Investment Control process as well as demonstrates that IT security and privacy considerations are integrated into each phase of the project life cycle.



Security and Privacy Requirements: Project Managers (PMs) are responsible for ensuring that privacy, confidentiality, integrity, and availability are addressed throughout the life cycle of an IT Project. That means PMs need to think through the security and privacy implications of every system in the early stages of project development, and then update security & privacy throughout each phase of the system. If the system is impacted by the Privacy Act, then Privacy Impact Assessments must also be performed and maintained.

I-TIPS AND OMB'S BUDGET EXHIBIT 300

The data captured electronically in I-TIPS serve several purposes for IT investment management and project management. However, the data also are reported to OMB during the budget process on Budget Exhibit 300. The Exhibit 300 is primarily a business case, explaining the business need to be met by this investment and how various aspects of system life cycle planning have been addressed.

CPIC AND TREASURY'S ENTERPRISE ARCHITECTURE

The Department of the Treasury is developing enterprise architecture (EA) descriptions across all of its business lines following the Business Reference Model established by OMB. Our EA effort is focusing on the identification of redundant systems and whenever possible making performance improvements in our processes. The OMB Federal Enterprise Architecture (business reference models and other reference models) is consistent, in large part, with the Treasury Enterprise Architecture Framework (TEAF). Substantial work has been accomplished by the bureaus following this framework. These bureau efforts will be rolled up to the Treasury and Federal Business Reference Models. Treasury's CPIC and the EA effort are closely aligned.

FOR FURTHER INFORMATION

The following Appendices provide further information about the CPIC process:

- Appendix A lists what data are to be entered in I-TIPS during the CPIC phases and includes a copy of the FY 2004 Exhibit 300.
- Appendix B provides the approximate timeline when actions must be taken in I-TIPS to meet Treasury and OMB deadlines.
- Appendix C provides a template for assessing the completeness of an Exhibit 300. This template is based on the criteria used by the Department and OMB.
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APPENDICES

APPENDIX A - I-TIPS DATA ENTRY/INVESTMENT PHASES AND EXHIBIT 300

PRE-SELECT PHASE

- Depending on the situation and organization, Select Phase activities (as described below) may be initiated during the Pre-Select Phase.

SELECT PHASE

- Create the new investment.
- Create a *Contacts* list for this investment.
- Add the investment to your agency's potential *Investment Pool* and to the agency's funded *Investment Portfolio*.
- Designate the investment as *Major* or *Small/Other.*
- Ensure that points of contact such as the Functional Manager and Project Sponsor are kept updated within the *General Information* folder.
- Add supporting information to the *Resource Library* for the investment, such as preliminary budget estimates and spreadsheets and the Investment Review submission package.
- Update and Complete the *Lifecycle Cost and Lifecycle Budget Information* located in the *Financial Information* folder as required.
- Add any new or revised documentation that supports the initiative to the *Resource Library*.
- Complete the *Performance Measures* information.
- Complete the *Planned Cost and Schedule Information*.
- Complete the Exhibit 300 (Majors only)
- Complete all OMB Exhibit 52 (as appropriate) and Exhibit 53 data fields and requirements
- Review and complete the *Select Screening Criteria* checklist found in the *Selection Screening Information* of the Selection Information Section.
- Complete the *Select Scoring Scorecard Information* located in the *Selection Scoring Information* section of the Investment Manager.
- Grant *Permissions* in the bureau as needed to enable editing, viewing, and scoring.
- Grant *Permissions* to Treasury for the OMB phase of the budget cycle

CONTROL PHASE

- Update and maintain the *Lifecycle Cost* and *Lifecycle Budget Information* located in the Financial Information folder as required
- Add any new or revised documentation that supports the investment to the *Resource Library*. This supporting material may be attached to the Exhibit 300 submission to OMB.
- Update and maintain the *Performance Measures* information.
- Complete the *Control Screening Criteria* checklist found in the *Control Screening Information* section.
- Complete *the Control Scoring Scorecard Information* located in the *Control Scoring Inform*ation of the Investment Manager.
- Review investment history and background information to support assignment of individual scores located in the General Information folder and in the investment's *Resource Library*.
- Ensure all folders from the *Select Phase* are completed and the *Selection Status* folder indicates the investment is approved and finalized so it can advance to the Control Phase.
- Complete the *Control Screening* and *Control Scoring* data screens in the *Control Information* folder.

- Complete and maintain the *Control Cost and Schedule Information* folder including milestones, associated costs, and variances.
- Grant *Permissions* as needed to enable editing, viewing, and scoring.

EVALUATE PHASE

- Finalize the project development-specific *Performance Measures* information.
- Finalize the *Control Cost and Schedule Information*.
- Finalize all *Lifecycle Cost* and *Lifecycle Budget Information* located in the Financial Information folder as required.
- Complete all appropriate *Evaluation Information* pages.
- Add any new or revised documentation that supports the project to the *Resource Library*, such as the Investment Review submission package. Include copies of the Post-Implementation Review and Independent Verification and Validation.
- Grant *Permissions* as needed to enable editing, viewing, and scoring.

BELOW IS A COPY OF THE DATA ELEMENTS REQUIRED BY OMB IN THE BUDGET EXHIBIT 300 THAT CAN BE ENTERED ELECTRONICALLY IN I-TIPS.

OMB EXHIBIT 300 INITIATIVES (FY 2004 VERSION FOR I-TIPS)

(*NEW = NEW REQUIREMENT FOR FY 2004)

Data Requirement
PART I: CAPITAL ASSET PLAN AND BUSINESS CASE
Agency
Bureau
Account Title
Account Identification Code
Program Activity
Name of Project
Unique Project Identifier
Project Initiation Date *New
Project Planned Completion Date *New
This project is: Initial Concept/Planning/Full Acquisition/Steady State/Mixed Life Cycle. *New
Project/Useful segment funded: Incrementally/Fully
Was this project approved by OMB for previous Year Budget Cycle? Yes/No
Did the Executive/Investment Review Committee approve funding for this project this year?
Did the CFO review the cost goal?
Did the procurement executive review the acquisition strategy?
Is this investment included in your agency's annual performance plan or multiple agency annual performance plans? *New
Does the project support homeland security goals and objectives, i.e., 1) improve border and transportation security, 2) combat bio-terrorism, 3) enhance first responder programs; 4) improve information sharing to decrease response times for actions and improve the quality of decision making? *New
Is this project information technology?
For information technology projects only: a. Is this Project a Financial Management System? (see section 53.2 for a definition) If so, does this project address a FFMIA compliance area? If yes, which compliance area?
b. Does this project implement electronic transactions or record keeping that is covered by the Government Paperwork Elimination Act (GPEA)? If so, is it included in your GPEA plan (and does not yet provide an electronic option)? Does the project already provide an electronic option? *New
c. Was a privacy impact assessment performed for this project?
d. Was this project reviewed as part of the FY02 Government Information Security Reform Act review process? *New d.1 If yes, were any weaknesses found? d.2. Have the weaknesses been incorporated into the agency's corrective action plans? *New
e. Has this project been identified as a national critical operation or asset by a Project Matrix review or other agency determination? *New e.1 If no, is this an agency mission critical or essential service, system, operation, or asset (such as those documented in the agency's COOP Plan), other than those identified as above as national critical infrastructures? *New

Data Requirement

I.A. Project Description

I.A.1) Provide a brief Description of this project and its status through your capital planning and investment control (CPIC) or capital programming “control” review for the current cycle. *New

I.A.2) What assumptions are made about this project and why? *New

I.A.3.) Provide any other supporting information derived from research, interviews, and other documentation. *New

1.B. Justification

I.B.1) How does this investment support your agency's mission and strategic goals and objectives? If a cross-agency investment, how does it support the strategic goals from the President's Management Agenda?

I.B.2) How does it support the strategic goals from the President’s management agenda? *New

I.B.3) Are there any alternative sources in the public or private sectors that could perform this function? If so, explain why your agency did not select one of these alternatives. *New

1. B.3) Who are the customers for this project? *New

I.B.4) Who are the stakeholders of this project? *New

I.B.5) If this is a multi-agency initiative, identify the agencies and organizations affected by this initiative. *New

I.B.6) How will this investment reduce costs or improve efficiencies?

I.C. Performance Goals and Measures *new

Performance Goals and Measures Table *New

Data Requirement

I.D. Program Management

1. Is there a program manager assigned to the project? If so, what is his/her name?

2. Is there a contracting officer assigned to the project?

3. Sponsor / Owner: *New

I.E. Alternatives Analysis and Risk Management

I.E.1) Describe the alternatives you considered for supporting your on-going project. Describe the results of the feasibility/performance/benefits analysis.

I.E.2) Summarize the results of your life-cycle cost analysis performed for each investment and the underlying assumptions.

I.E.3) Which alternative was chosen and why? Define the Return on Investment.

I.E.3. (A). Are there any quantitative benefits that will be achieved through this investment (e.g., systems savings, cost avoidance, stakeholder benefits, etc?

I.E.3.(B) For alternative selected, provide financial summary, including Net Present Value by Year and Payback Period Calculations:

Net Present Value by Year table *New

I.E.4) What is the date of your cost benefit analysis?

Describe the results of your risk assessment for this project and discuss your plans to eliminate, mitigate, or manage identified risks (e.g., financial, acquisition, technical).

I.F) Risk Inventory and Assessment

In this section, describe the results of your risk assessment for this project and discuss your plans to eliminate, mitigate, or manage identified risks (e.g. financial, acquisition, technical). Risk assessments performed at the initial concept stage and then monitored and controlled throughout the life-cycle of the project, and should include risk information from all stakeholders. Risk assessments for all projects must include schedule, costs (both initial life cycle), technical obsolescence, feasibility, reliability of systems, dependencies and interoperability between this project and others, surety (asset protection) considerations risk of creating a monopoly for future procurements, and overall risk of project failure.
OMB establishes minimum mandatory set of risk factors for IT Projects. These are 1) Organizational and Change Management, 2) Business, 3) Data/Info, 4) Technology, 5) Strategic, 6) Security, 7) Privacy, and 8) Project Resources.

For security risks, identify under the description column the level of risk as high, medium, or basic. What aspect of security determines the level of risk, i.e., the need for confidentiality of information, availability of information or the system, reliability of the information or system?

Risk Inventory and Assessment Table *New

Data Requirement
I.F.1) What is the date of your risk management plan?
I.G. Acquisition Strategy I.G.1) Will you use a single contract or several contracts to accomplish this project? If multiple contracts are planned, explain how they are related to each other, and how each supports the project performance goals. I.G.2) What type(s) of contract(s) will you use (e.g. cost reimbursement, fixed-price, etc.)? I.G.2.A) For cost reimbursement contracts, define risk not sufficiently covered by the risk mitigation plan to require this type of contract.
I.G.3) Will you use financial incentives to motivate contractor performance (e.g. incentive fee, award fee, etc.)? I.G.4) Will you use competition to select suppliers? I.G.5) Will you use commercially available or COTS products, or custom-designed products? *New I.G.6) What is the date of your acquisition plan? *New I.G.7) Will you ensure Section 508 compliance? *New
I.H. Project and Funding Plan I.H.1. Description of performance-based system (PBMS) I.H.2. Original baseline (OMB-approved at project outset) I.H.3. Proposed Baseline Changes (applicable only if OMB approved the changes) I.H.4 Actual Performance and Variance from OMB approved baseline (Original or Current) I.H.4 (A) What work did you actually accomplish and how much did you actually spend? Refer to the list of accomplishments in the Project Description. I.H.4(B) Show BCWS$ I.H.4(B.1) Show BCWP$ I.H.4(B).2 Show ACWP$
I.H.4(C) If Cost and/or schedule variance are a negative 10% or more, explain the reason(s) for the variance(s): I.H.4 (D) Provide performance variance. Explain whether, based on work accomplishment to date, you still expect to achieve your performance goals. If not, explain the reason for the variance. I.H.4 (E) Discuss the contractor, government, and at least the two EAC index formula, current estimates to complete. Explain the differences and the IPTs selected EAC for budgeting purposes I.H.4 (F) Discuss the corrective actions that will be taken to correct the variances, the risk associated with the actions, and how close to original baseline the planned actions will achieve. Define proposed baseline changes, if necessary. I.H.4 (G) Has the Agency Head concurred in the need to continue the program at the new baseline? Yes____, No____

Data Requirement
Part II: Additional Business Case Criteria for Information Technology
II. A Enterprise Architecture *II.A.1) Business* II.A.1.A) Is this project identified in your agency's enterprise architecture? If not, why? II.A.1.B) Explain how this project conforms to your departmental (entire agency) enterprise architecture. II.A.1.C) Identify the Lines of Business and Sub-Functions within the Federal Enterprise Architecture Business Reference Model that will be supported by this initiative. II.A.1.D) Briefly describe how this initiative supports the identified Lines of Business and Sub-Functions of the Federal Business Architecture. II.A.1.E) Was this project approved through the EA Review committee at your agency? II.A.1.F) What are the major process simplification/ Reengineering/design projects that are required as part of this initiative? *New II.A.1.G) What are the major organization restructuring, training, and change management projects that are required? *New II. A.1.H) What are the lines of business involved in this project? *New II. A.1.I) What are the implications for the agency business architecture? *New
II.A.2) Data II.A.2.A) What types of data will be used in this project? II.A.2.B) Does the data needed for this project already exist at the Federal, State, or Local level? If So, what are your plans to gain access to that data? II.A.2.C) Are there legal reasons why this data cannot be transferred? If so, what are they and did you address them in the barriers and risk sections above? II.A.2.D) If this initiative processes spatial data, identify planned investments for spatial data and demonstrate how the agency ensures compliance with the Federal Geographic Data Committee Standards required by OMB Circular A-16.
II.A.3 Application and Technology II.A.3.A) Discuss this initiative/project in relationship to the application and technology layers of the EA. Include a discussion of hardware, applications, infrastructure, etc. *New II.A.3.B) Are all of the hardware, applications, and infrastructure requirements for this project included in the EA Technical Reference Model? If not, please explain. *New
II. B. Security and Privacy NOTE: Each category below must be addressed at the project (system/application) level, not at a program or agency level. Referring to security plans or other documents is not an acceptable response. II.B.1) How is security provided and funded for this project (e.g., by program office or by the CIO through the general support system/network)? *New II.B.1.A) What is the total dollar amount allocated to security for this project in FY04? *New

Data Requirement
II.B.2.) Does the project (system/application) meet the following security requirements of the Government Information Security Reform Act, OMB policy, and NIST guidance? *New II.B.2.A). Does the project (system/application) have an up-to-date security plan that meets the requirements of OMB policy and NIST guidance? What is the date of the plan? *New II.B.2.B) Has the project undergone an approved certification and accreditation process? Specify the C&A methodology used (e.g., NIST guidance) and the date of the last review. *New II.B.2.C) Have the management, operational, and technical security controls been tested for effectiveness? When were most recent tests performed? *New II.B.2.D) Have all system users been appropriately trained in past year, including rules of behavior and consequences for violating the rules? *New II.B.2.E) How has incident-handling capability been incorporated into the system, including intrusion detection monitoring and audit log reviews? Are incidents reported to GSA's FedCIRC? *New II.B.2.F) Is the system operated by contractors either on-site or at a contractor facility? If yes, does any such contract include specific security requirements required by law and policy? How are contractor security procedures monitored, verified, and validated by the agency?" *New
II.B.3 How does the agency ensure the effective use of security controls and authentication tools to protect privacy for those systems that promote or permit public access? II.B.4) How does the agency ensure that the handling of personal information is consistent with relevant government-wide and agency policies. II.B.5) If a Privacy Impact Assessment was conducted, please provide a copy to OMB. *New
II.C. Government Paperwork Elimination Act (GPEA) II.C.1) If this project supports electronic transactions or record-keeping that is covered by GPEA, briefly describe the transaction or record-keeping functions and how this investment relates to your agency's GPEA plan. II.C.2) What is the date of your GPEA plan? *New II.C.3) Identify any OMB Paperwork Reduction Act (PRA) control numbers from information collections that are tied to this investment.

APPENDIX B – SAMPLE TREASURY BUDGET/I-TIPS TIMELINE

Prepare budget within bureau	April/May
Bureau portfolio reviews and decisions using updated I-TIPS data	April-June
Send to Treasury	June
Treasury review budget	June-August
Update I-TIPS to reflect 3rd quarter results and actuals for on-going initiatives	July
Update existing I-TIPS initiatives/Develop Exhibit 300s for new initiatives	June-August
Treasury budget office passback	August
Initial I-TIPS submittal to Treasury	July
Exhibit 300 Passback from CIO office to bureaus	July
Exhibit 300s updated	August
All Exhibit 300s are eFiled, Exh 53 data completed	September
Treasury submits budget to OMB	September
Update I-TIPS to reflect 4th quarter results and actuals for on-going initiatives	October
OMB passback	Late November
OMB final allowance	Mid December
I-TIPS updated	November-January
Update I-TIPS to reflect 1st quarter results and actuals for on-going initiatives	January
Budget Decisions are entered into "greens"	January
Final Exh 300s updated completed, eFiled, and submitted to OMB, Exh 53 finalized	January
Budget sent to Congress	Early February
All initiatives in President's Budget updated to reflect final decisions and baselined	February
Congressional briefs prepared	February/April
Update I-TIPS to reflect 2nd quarter results and actuals for on-going initiatives	April
I-TIPS calendar rolled to next FY	April
Congressional briefings/budget passed	April/October

Bureau	Project ID	Project Name	Date Reviewed

Completeness Scoring Criteria ***(If no information is provided for a factor, that factor is awarded a score of 0 points.)***

Score	Factor	5 Points	4 Points	3 Points	2 Points	1 Point
	I.A – Project Description	Description addresses: (1) project description and CPIC status; (2) assumptions; (3) supporting information; (4) IRB review (p. 1); (5) CFO review (p. 1); (6) PE review (p. 1); and (7) a complete summary of spending.	The project description addresses 5-6 of 7 criteria.	The project description addresses 3-4 of 7 criteria.	The project description addresses 1-2 of 7 criteria.	The project description addresses none of 7 criteria.
	I.B - Justification	The investment: (1) supports mission and strategic goals and objectives; (2) supports strategic goals of the PMA; (3) considered alternatives in public and private sector; (4) explains why these alternatives were not selected; (5) identifies customers; (6) identifies stakeholders; (7) is a multi-agency initiative (if applicable), and identifies organizations affected; (8) will reduce costs or improve efficiencies; and (9) lists other assets that interface with this asset and have these assets have been reengineered.	The investment meets 6-7 of 9 justification criteria.	The investment meets 4-5 of 9 justification criteria.	The investment meets 2-3 of 9 justification criteria.	The investment meets 0-1 of 9 justification criteria.
	I.C – Performance Goals and Measures *	The performance information provided includes: (1) strategic goal(s); (2) existing baseline; (3) planned and (4) actual performance improvement [new projects: N/A]; (5) planned and (6) actual performance metric [new projects: N/A]; and (7) Treasury's/bureau's performance plan inclusion (p. 1).	New proj.: The inv. meets 3 of 4 perf. criteria. On-going proj.: The investment meets 5-6 of 7 performance criteria.	New proj.: The inv. meets 2 of 4 perf. criteria. On-going proj.: The investment meets 3-4 of 7 performance criteria.	New proj.: The inv. meets 1 of 4 perf. criteria. On-going proj.: The investment meets 1-2 of 7 performance criteria.	New proj.: The inv. meets none of 4 perf. criteria. On-going proj.: The investment meets none of 7 performance criteria.
	I.D – Program Management	A (1) program manager and (2) contracting officer are assigned to the project, an (3) integrated project team has been formed and (4) skill set listed, and (5) a sponsor/owner has been identified.	The project meets 4 of the 5 program management criteria.	The project meets 3 of the 5 program management criteria.	The project meets 2 of the 5 program management criteria.	The project meets 0-1 of 5 program management criteria.
	I.E – Alternatives Analysis *	The alternatives analysis addresses: (1) description of three alternatives and results of feasibility/performance/ benefits; (2) results of life-cycle cost analysis, including assumptions; (3) chosen alternative and ROI; (4) quantitative benefits (if any); (5) financial summary, net present value by year and payback period; and (6) date of cost benefit analysis.	The alternatives analysis addresses 4 of 6 criteria.	The alternatives analysis addresses 3 of 6 criteria.	The alternatives analysis addresses 2 of 6 criteria.	The alternatives analysis addresses 0-1 of 6 criteria.
	I.F - Risk Inventory and Assessment *	The risk assessment (1) identifies a minimum of 8 risk categories, and addresses (2) date identified, (3) area of risk, (4) description, (5) probability, (6) strategy for mitigation, (7) current status, and (8) date of risk management plan.	The risk inventory and assessment addresses 5-6 of 8 criteria.	The risk inventory and assessment addresses 3-4 of 8 criteria.	The risk inventory and assessment addresses 1-2 of 8 criteria.	The risk inventory and assessment addresses none of 8 criteria.
	I.G – Acquisition Strategy	The acquisition strategy addresses: (1) the number of contracts and (2) their relationship to each other; (3)	The acquisition strategy addresses 6-7 of 9	The acquisition strategy addresses 4-5 of 9	The acquisition strategy addresses 2-3 of 9	The acquisition strategy addresses 0-1 of 9 criteria.

		type of contract(s), and (4) for cost reimbursement contracts, defines risk; (5) financial incentives; (6) use of competition; (7) use of COTS products; (8) date of acquisition plan; and (9) Section 508 compliance.	criteria.	criteria.	criteria.	
	I.H – Project and Funding Plan *	The project and funding plan addresses: (1) performance-based system (earned value management system); [for new projects] (2) cost; (3) schedule; and (4) planned work; [for on-going projects] (2) original baseline; (3) proposed baseline change or OMB approved baseline change; (4) planned work; (5) actual work accomplished; (6) cost and schedule variance; (7) performance variance; (8) estimated cost at completion; (9) corrective actions; (10) agency head concurrence to continue.	For new projects: The project funding plan addresses 3 of 4 criteria. For on-going projects: The project and funding plan addresses 7-9 of 10 criteria.	For new projects: The project funding plan addresses 2 of 4 criteria. For on-going projects: The project and funding plan addresses 4-6 of 10 criteria.	For new projects: The project funding plan addresses 1 of 4 criteria. For on-going projects: The project and funding plan addresses 1-3 of 10 criteria.	For new projects: The project funding plan addresses none of 4 criteria. For on-going projects: The project and funding plan addresses none of 10 criteria.
	II.A – Enterprise Architecture *	The project: (1) is identified in the bureau EA, including the Transition Plan, or addresses plans for completing the bureau EA; (2) conforms to the bureau EA/Treasury EA/Framework (TEAF), including the EA principles; (3) identifies lines of business (LoB) of Federal Business Architecture (FBA) ; (4) describes support for FBA LoB; (5) was approved by EA Review committee; (6) requires process simplification/ reengineering; (7) requires organizational restructuring; (8) describes project LoBs; (9) describes implications for bureau business architecture; (10) identifies types of data used; (11) addresses data at Federal, State and Local level; (12) addresses legal implications of data transfer; (13) addresses OMB A-16 geospatial data requirements (if applicable); (14) addresses relationship to the application and technology layers of the EA; and (15) hardware, applications, and infrastructure requirements are included in EA Technical Reference Model (TRM).	The project meets 10-12 of the 15 enterprise architecture criteria.	The project meets 7-9 of the 15 enterprise architecture criteria.	The project meets 4-6 of the 15 enterprise architecture criteria.	The project meets 0-3 of the 15 enterprise architecture criteria.
	II.B – Security and Privacy *	The project addresses: (1) how security is provided and funded; (2) the total dollar amount allocated to security; (3) meeting GISRA, OMB and NIST requirements; (4) an up-to-date security plan; (5) an approved certification and accreditation process; (6) tests for effectiveness of management, operational, and technical security controls; (7) system user training; (8) incident handling capability; (9) contractor security procedures (if applicable); (10) privacy protection; (11) handling of personal information; (12) if a Privacy Impact Assessment was conducted; (13) support for homeland security (p. 1); (14) inclusion in GISRA review (p. 1) and (15) inclusion in Project Matrix review (p. 1).	The project meets 10-12 of the 15 security and privacy criteria.	The project meets 6-9 of the 15 security and privacy criteria.	The project meets 3-5 of the 15 security and privacy criteria.	The project meets 0-2 of the 15 security and privacy criteria.
	II.C – Government Paperwork Elimination Act (GPEA)	If the project is GPEA related, (1) it is included in Treasury's GPEA plan, and (2) the date of the bureau GPEA plan is provided. (3) Any applicable OMB PRA control numbers are provided.	The project meets 2 of the 3 GPEA criteria.	The project meets 1 of the 3 GPEA criteria.	The project meets none of the 3 GPEA criteria.	The project meets none of the 3 GPEA criteria.

	Total Completeness Score (Maximum of 55) 45 – 55 = Level 5: Well documented 34 – 44 = Level 4: Few areas that need strengthening 23 – 33 = Level 3: Areas that need much work to solidify and quantify 12 – 22 = Level 2: Many areas that are not documented 0 – 11 = Level 1: Lacks documentation throughout * Note: The average score for the following factors (indicated with an "*"above) must be 4 points in order for this Exhibit 300 to be recommended for referral to OMB: I.C Performance Goals and Measures, I.E Alternatives Analysis, I.F Risk Inventory and Assessment, I.H Project and Funding Plan, II.A Enterprise Architecture, and II.B Security and Privacy.

Business Case Scoring Criteria ***(If no information is provided for a factor, that factor is awarded a score of 0 points.)***

Score	Factor	5 Points	4 Points	3 Points	2 Points	1 Point
	I.C – Performance Goals	Performance goals are provided for the agency, are linked to the annual performance plan, the project discusses the agency mission and strategic goals, and performance measures are provided.	Performance goals are provided for the agency, are linked to the annual performance plan, the project discusses the agency mission and strategic goals, and performance measures are provided yet work remains to strengthen the PG.	Performance goals exist, but linkage to the agency mission and strategic goals is weak.	Performance goals are in their initial stages and are not appropriate for the type of project. Much work remains to strengthen the PG.	There is no evidence of PG for this project.
	I.D – Program Management	Program is very strong and has resources in place to manage it.	Program has some weak points in the area of PM and agency is working to strengthen PM.	Much work remains in order for PM to manage the risks for this project.	There is some understanding of PM for this project but it is very rudimentary.	There is no evidence of PM.
	I.E – Alternatives Analysis	AA includes three viable alternatives, alternatives were compared consistently, and alternative chosen provides benefits and reasons.	AA includes three viable alternatives, however work needs to continue in terms of alternatives chosen and the accompanying analysis.	AA includes less than three alternatives and overall analysis needs strengthening.	AA includes weak AA information overall, significant weaknesses exist.	There is no evidence that an AA was performed.
	I.F – Risk Management	Risk assessment was performed for all mandatory elements and risk is managed throughout the project.	Risk assessment addresses some of the risks, but not all that should be addressed for this project.	Risk management is very weak and does not seem to address or manage most of the risk associated with the project.	Risk assessment was performed at the outset of the project, but does not seem to be part of the program management.	There is no evidence of a risk assessment plan or strategy.
	I.G – Acquisition Strategy	Strong acquisition strategy (AS) that mitigates risk to the Federal Government, accommodates Section 508 as needed, and contracts and statements of work (SOWs) are performance based. Implementation of the AS is clearly defined.	Contracts and SOWs are performance based with very few weak points that agency is strengthening and implementation of the AS is clearly defined.	Much work remains to solidify and quantify the AS.	Some parts of the AS are present, but no clear implementation strategy.	There is no evidence of an AS.
	I.H – Performance Based Management System	Agency will use or uses an Earned Value Management System (EVMS) that meets ANSI/EIA standard 748 and project is earning the value as planned for cost, schedule, and performance goals.	Agency uses the required EVMS and is within the variance levels for two of the three criteria, and needs work on the third issue.	Agency uses required EVMS but the process within the agency is very new and not fully implemented, or there are weaknesses for this individual project's EVMS information.	Agency seems to re-baseline rather than report variances.	There is no evidence of a performance based management system.
	II.A – Enterprise Architecture	This project is included in the agency EA and CPIC process. BC demonstrates business, data, application, and technology layers of the EA in relationship t o this project.	This project is included in the agency EA and CPIC process. BC demonstrates weaknesses in the business, data, application, and technology layers of the EA in relationship to this project.	This project is not included in the agency EA and CPIC process. BC demonstrates a lack of understanding on the layers of the EA (business, data, application, and technology).	While the agency has an EA Framework, it is not implemented in the agency and does not include this project.	There is no evidence of a comprehensive EA in the agency.
	II.B – Security and Privacy	Security and privacy issues for the project and all questions are answered, detail is provided about the individual project throughout the life-cycle to include	Security and privacy information for the project is provided but there are weaknesses in the information that needs to be corrected.	Security and privacy information for the project is provided but fails to answer the minimum requirements.	Security and privacy information points to an overall agency security process with little to no	There is no security or privacy information provided for this

		budgeting for security.			detail at this project level.	project.
	Life Cycle Cost Formulation	Life cycle (LC) costs seem to reflect formulation that includes all of the required resources and is risk-adjusted to accommodate items addressed in the risk management (RM) plan. It appears that the project is planned well enough to come in on budget.	LC costs seem to reflect formulation of some of the resources and some of the issues as included in the risk-adjusted strategy, but work remains in order to ensure that LC costs are accurately portrayed.	LC costs seem to reflect formulation of the resources, but are not risk-adjusted based upon the RM plan.	LC costs seem to include some of the resource criteria and are not risk-adjusted.	LC costs do not seem to reflect a planned formulation process.
	Supports the President's Management Agenda (PMA) Items	This is a collaborative project that includes multiple agencies, state, local, or tribal governments, uses e-business technologies and the project is governed by citizen needs. Project also supports the Federal Business Architecture (FBA) published by OMB. If project is a steady state project, then an E-Gov strategy review is underway and includes all of the necessary elements. If appropriate, this project is fully aligned with one or more of the President's E-Gov initiatives.	This is a collaborative project that includes multiple agencies, state, local, or tribal governments, uses e-business technologies, though work remains to solidify these relationships. Project also supports the FBA published by OMB, though work remains to solidify the linkage. If project is a steady state project, then an E-Gov strategy review is underway, but needs work in order to strengthen the analysis. If appropriate, this project supports one or more of the President's E-Gov initiatives.	This is not a collaborative project, though it could be and much work remains to strengthen the ties to the PMA. If a steady state project and no E-Gov strategy is evident, this project will have a difficult time securing continued or new funding from OMB. If appropriate, this project supports one or more of the President's E-Gov initiatives, but alignment is not demonstrated.	This is not a collaborative project and it is difficult to ascertain support for the PMA items. If steady state project, no E-Gov strategy was performed or is planned.	There does not seem to be any link to the PMA items and no e-Gov strategy.
	Total Business Case (BC) Score (Maximum of 50) 41 – 50 = Level 5: Strong documented BC (including all sections as appropriate) 31 – 40 = Level 4: Very few weak points within the BC, but still needs strengthening 21 – 30 = Level 3: Much work remains to solidify and quantify the BC. BC has the opportunity to either improve or degrade very quickly 11 – 20 = Level 2: Significant gaps in the required categories of the BC 1 – 10 = Level 1: Inadequate in every category of the required BC					

APPENDIX D – CPIC PROCESS ASSESSMENT TOOL

Score **2 – Fully** **1 – Partially** **0 – None**	***Factor*** **(Score indicates to what extent the bureau CPIC process satisfies the factor)**	***Comments***
	1 – Investment Review Board (IRB) 1.1 – Bureau has an executive level IRB with a written charter, which meets on a regular basis	
	1.2 – Uses the budget process as the driver	
	1.2 – Includes business line executives	
	1.3 – Includes CIO, CFO, PE, BO and COO	
	1.4 – Has a business planning council, which meets on a regular basis, and that sets strategic direction for the IRB	
	1.5 – Bureau is using published CPIC procedures	
	2 – Plan Phase 2.1 – Identifies mission need	
	2.2 – Conducts mission analysis and develops Mission Needs Statement	
	2.3 – Links Mission Needs Statement to bureau’s and/or Treasury’s strategic plan	
	2.4 – Develops proposed solution concept (objectives, evaluation criteria, concept alternatives, and alternative analysis approach)	
	2.5 – Performs a preliminary bureau or Treasury enterprise architecture (EA) alignment analysis	
	2.6 – Develops preliminary business case with budget estimates and cost benefit analysis	
	3 – Select Phase 3.1 – Has a process in place for screening new initiatives	
	3.2 – Establishes time guidelines and assigns responsibility for scoring and selecting investments	
	3.3 – Clearly defines data required for initial project submission	
	3.4 – Costs, benefits and risks of planned investments 3.4.1 – Has developed and published standard benefit, cost and risk criteria	
	3.4.2 – Requires that an analysis, based on standardized criteria, is submitted for each new initiative	
	3.4.3 – Requires that all relevant project costs are included	
	3.4.4 – Uses structured benefits and cost analysis studies	
	2.4.5 – Reports full life-cycle costs for on-going (legacy) projects	
	3.4.6 – Reports phased life-cycle costs for development/modernization projects, pilots, prototypes, studies and research projects	
	3.4.7 – Requires risk assessments addressing technical, strategic, and security issues	
	3.4.8 – Uses return on investment (ROI) techniques	
	3.5 – Requires review by a Technical Review Committee before IRB review	
	3.6 – Requires the bureau chief enterprise architect to certify a new project	
	3.7 – Has an established methodology to score and develop priorities for IT investments, ensuring that selected projects support bureau strategic and performance plans, and enable business effectiveness, efficiency, and productivity gains	
	3.8 – Has defined thresholds for investment planning and control	

	3.9 – Includes IT infrastructure in the investment portfolio	
	3.10 – Has a structured and repeatable method for selecting investments	
	3.11 – Ensures that each investment addresses OMB A-130 selection criteria (support core mission functions; consider alternative sources; support simplified work processes and maximize use of commercial off-the-shelf (COTS) technology; avoid duplication; minimize burden on the public; and ensure prerogatives of state, local and tribal governments)	
	3.12 – Uses a standard business case reporting format, and manages CPIC data electronically	
	4 – Control Phase 4.1 – Has oversight mechanism ensuring consistent monitoring of IT initiatives	
	4.2 – Addresses OMB A-130 control criteria (use a performance based management system; check cost, schedule and performance progress of major systems; update risk mitigation strategy; ensure conformance of financial management systems; and ensure appropriate management and disposition of records)	
	4.3 – Bureau has a published EA and uses it as part of its control process	
	4.4 – Project information collected is sufficient to make a cancel/continue/accelerate decision	
	4.5 – Uses an earned value management system (EVMS)	
	4.6 – Uses systems development life-cycle (SDLC) documentation to update CPIC control documents	
	5 – Evaluate Phase 5.1 – Compares achieved results against investment plans generated during the control phase	
	5.2 – Conducts Post Implementation Reviews (PIRs)	
	5.3 – Includes customers in the investment evaluation process	
	5.4 – Evaluates projects against each other within the portfolio	
	5.5 – Conducts periodic reviews, ensuring systems comply with OMB A-130 evaluation criteria (ensure positive ROI; and re-assess an investment's business case, technical compliance, and compliance against the EA)	
	5.6 – Applies lessons learned to applicable areas of the CPIC process	
	6 – Project Management 6.1 – Has a systematic bureau project management process	
	6.2 – Has strong qualified project managers	
	6.3 – Uses control data from the business cases and life cycle documentation to monitor project performance	
	6.4 – Each project has executive buy-in and buy-in is periodically demonstrated	
	6.5 – All aspects of the business case are monitored	
	7 – Portfolio Management 7.1 – Defines goals and objectives; clearly articulates what the portfolio is supposed to achieve	
	7.2 – Understands, accepts, and makes tradeoffs; determines how much to invest in one thing as opposed to something else	
	7.3 – Identifies, eliminates, minimizes, and diversifies risks; selects a mix of investments that will avoid undue risk, will not exceed acceptable risk tolerance levels, and will spread risks across projects and initiatives to minimize adverse impacts	
	7.4 – Monitors portfolio performance; understands the progress that the portfolio is making toward the achievement of the goals and objectives	
	7.5 – Achieves a desired objective; has the confidence that the desired outcome will likely	

	be achieved given the aggregate of investments that are made	
	8 – Requires sufficient project information to allow compilation of a capital asset plan (OMB Exhibit 300)	
	9 – Uses the Information Technology Investment Portfolio System (I-TIPS)	
	10 – Bureau CPIC process is integrated with the budget process and has been used for at least one full budget cycle	
	Total Score (Maximum of 112) 91 – 112 = Level 5: Integrated planning and investment management processes are in place to focus on strategic outcomes 68 – 90 = Level 4: Focus is on examining business outcomes of investments and lessons learned, including post-implementation reviews and feedback 45 – 67 = Level 3: The investment portfolio is completed through portfolio-oriented management, including investment analysis and portfolio performance evaluation and improvement; i.e. “select”, “control,” AND “evaluate” phases are used 22 – 44 = Level 2: Investment management has been built with processes in place such as investment review board, proposal selection, and project oversight; i.e. “select” and “control” phases installed 0 – 21 = Level 1: Investment management awareness created, but processes are ad hoc and unstructured	
Comments:		

APPENDIX E – DESCRIPTION OF THE CPIC PHASES

SECTION A – PHASE 1: PRE-SELECT

PURPOSE

The Pre-Select phase is not a specific point in time, but a continuous activity. It is used to assess a proposed investment's support of organization's strategic and mission needs and to provide initial information to decision-makers. During this phase the new business/mission needs are identified and relationships to the organization's strategic planning efforts are established. The Pre-Select phase provides an opportunity to focus efforts and develop the initiative concept in preparation for the Select Phase.

PROCESS

During the Pre-Select phase, mission analysis results in the identification of a mission need necessitating consideration of an investment alternative. The mission analysis and corresponding development of the Mission Needs Statement are closely linked to the strategic planning process of the organization and sponsor. Following mission analysis, the sponsor further develops the proposed solution's concept. Objectives are established and evaluation criteria are defined, and approval is sought to proceed. When the IRB decides that the proposed solution is appropriate, the concept moves into the Select Phase.

SECTION B – PHASE 2: SELECT

PURPOSE

The purpose of the Select Phase is to choose the most appropriate set or mix of IT projects to include in the organizational IT portfolio. The overall goal is to ensure that only sound and viable projects and systems are included in the IT Portfolio.

In the Select Phase, the organization focuses on new projects with a view of the overall portfolio mix. The organization will consider the various aspects of the concept itself and decide if it meets a legitimate business need and if it is strategically important. Specifically, the organization will ensure what proposed projects best supports the mission and complies with organizational enterprise architecture requirements. Those that are selected are best prepared for success (i.e., have a good project manager, are analyzing and mitigating risks, etc.). Individual projects are evaluated in terms of ensuring fundamental production steps, technical alignment with existing systems, and projected performance as measured by Cost, Schedule, Benefit, and Risk (CSBR).

In this phase, the organization prioritizes each proposed project and decides which will be included in the portfolio. Submissions are assessed against a uniform set of evaluation criteria and thresholds. It should be noted that the organization defines a set of evaluation criteria that best fit organizational objectives, culture, mission, and priorities. Examples of criteria typically include architectural alignment, Return of Investment (ROI), mission alignment, etc. The project's CSBR are then systematically scored using objective criteria and the project is ranked and compared to other projects. Finally, the investment review board selects which new projects will be included in the portfolio. Milestones and review schedules are also established for each investment selected during the Select Phase.

GENERAL PROCESS

The Select Phase begins with a project concept that passed screening during the Pre-Select Phase. It moves through the development of [in some organizations] a preliminary business case, the conducting of an alternative analysis/cost benefit analysis (CBA) (particularly one with an eye towards meeting the Administration's eGovernment strategy and complying with OMB Circular A-11), and then the development of a business case with budget estimates. Requirements for the CBA are established in OMB Circular A-94. Other requirements include the acquisition plan, risk analysis, performance measures, and a project plan as well as and assessment against the organization's enterprise architecture standards and plans. These plans and efforts lay a foundation for success in subsequent phases. Generally, a substantially complete OMB Exhibit 300 in I-TIPS is created and approved as part of this phase. The Select Phase culminates in a decision whether to proceed with the project.

GENERAL DESCRIPTION OF THE CYCLE

The Select Phase focuses on new project decisions.

New investments require appropriate justifications. Major new projects will use the OMB Exhibit 300 format in I-TIPS. The effort to complete these requirements should include the appropriate bureau staff and management officials. Normally, the effort to develop or update the project justification documents occurs in late winter or early spring. For instance, efforts to develop new Exhibit 300s or update them typically start as early as late Winter and run through the Summer. The effort culminates in a series of internal reviews that conclude around mid-summer in time for the Treasury budget submission. However, prior to the submission of the IT Portfolio to Treasury, the following must be completed by the bureau:

- **CHIEF PROCUREMENT OFFICER (CPO) REVIEW AND APPROVAL**

  The CPO reviews the project's cost, schedule and performance goals as well as the acquisition strategy. As many projects are contracted out, the CPO should have a good perspective on how realistic the cost, schedule and performance goals are. Further, they can use this information to help guide the development of an acquisition plan. Finally, the CPO can offer the opinion of whether the proposed contractual approach is appropriate for the type of project. The CPO provides any comments and/or questions to the business sponsor and CIO. The sponsoring organization and CIO will work with the CPO to address the issues and furnish details as requested, and sends an updated package to the CPO. The CPO forwards their assessment to the IRB.

- **CHIEF FINANCIAL OFFICER (CFO) REVIEW AND APPROVAL**

  The CFO reviews the project's cost goals. They may also focus additional effort on reviewing systems that have impact financial management activities. The CFO provides any comments and/or questions to the business sponsor and CIO. The sponsoring organization and CIO will work with the CFO to address the issues and furnish details as requested, and sends an updated package to the CFO. The CFO forwards their assessment to the IRB.

- **DECISION SUPPORT TEAM (DST) REVIEW – SCORING CRITERIA**

  The DST reviews the project documentation for compliance with the organization's strategic, legislative, and budgetary goals as well as compliance with Circular A-11. Risk analysis and risk mitigation strategies should be finalized by this point and assessed by the DST. The DST uses standard criteria to objectively compare investments.

- **ENTERPRISE ARCHITECTURE**

  Bureaus will use enterprise architecture data, requirements and related processes in conjunction with their IT capital planning activities. Portfolio decisions should reflect EA standards and targets. Bureau guidance regarding use of the EA can be found in the Treasury Enterprise Architecture Framework (TEAF).

- **INVESTMENT REVIEW BOARD (IRB) REVIEW AND APPROVAL**

  The IRB reviews recommendations, analysis, ranking and documentation for the proposed portfolio. It may ask for additional information or do its ranking of investments. The IRB will make the portfolio decision. Decisions are included in the budget submission to Treasury and OMB. This step is tied to the Control Phase activities, discussed in the Section 5.

SELECTION CRITERIA

Treasury has developed a template to assess and rank projects. Low scoring initiatives warrant immediate attention and corrections, and often should not be funded. The template is based on the current OMB Exhibit 300, and an updated template will be provided to bureaus for their use annually.

Bureaus may also develop their own selection criteria, which can be included in I-TIPS.

DOCUMENTATION, USE OF I-TIPS

I-TIPS will be updated to reflect IRB, Departmental, and OMB decisions. Key areas that need to be updated include cost, milestone and performance data.

I-TIPS will also be updated at least quarterly to reflect actuals. Treasury uses this data to monitor bureau compliance with FASA V. Data from the last quarter is used in the annual report to OMB and Congress on FASA V compliance of the overall Treasury portfolio.

Appendix A contains additional detail on how I-TIPS is used through the Pre-Select, Select, Control, and Evaluate stages. Appendix B highlights what time of the year certain activities are performed in Treasury.

BASELINING DECISIONS

Initiatives are expected annually to report project progress against a baseline. The baseline includes cost, schedule and performance goals.

The President's Budget establishes the new or revised baseline for each initiative. If the initiative was previously reported, OMB will consider changes to the existing baseline. Decisions on proposed changes will be communicated with the President's Budget. These changes will be reflected in the Exhibit 300 and other documents.

This baseline reflects what OMB tracks during later fiscal years.

Additional information on how to baseline initiatives in I-TIPS may be found in the I-TIPS User Guide.

SECTION C – PHASE 3: CONTROL

PURPOSE

The objective of the Control Phase is to ensure, through timely oversight, quality control, and executive review, that projects under development as well as on-going systems are managed in a disciplined, well-managed, and consistent manner. The Control Phase is also characterized by decisions to continue, modify, or terminate projects or on-going systems.

- Projects under development or implementation are controlled for Earned Value, schedule, cost, and project performance. Through this analysis, the organization ensures that the projects are executed or developed in a disciplined, well-managed, and consistent manner, through timely oversight, quality control, and executive review.

  Decisions on developing projects are based on reviews at key milestones during the project's development phase. The focus of these reviews changes and expands as the investments move from initial concept or design and pilot to completion and as projected investment costs and benefits change. The reviews ensure projected benefits are being realized; cost, schedule and performance goals are met; risks are minimized and managed; and the investment continues to meet strategic needs. Depending on the review's outcome, decisions may be made to cancel, modify the project or funding, or to continue with no change.

- On-going systems are primarily controlled for cost and performance goals and measures. During this phase the IRB assesses systems to ascertain their continued effectiveness in supporting mission requirements, evaluate the cost of continued maintenance support, assesses potential technology opportunities, and considers retirement or replacement options.

Although new projects are selected annually, the Control Phase is an ongoing activity. It requires the continuous monitoring of projects through the development or acquisition lifecycle. The organization reviews occur before the annual budget preparation process. Additionally, periodic summary reviews are completed based on the review schedule completed during the Select Phase.

Once the investment enters the Control Phase, the DST will monitor the investment throughout development and report investment status to the investment's sponsors and oversight groups.

PROCESS

The ability to adequately monitor projects and on-going systems relies heavily on the outputs from effective investment execution and management activities and reporting systems. The CIO, in coordination with the CFO, develops a master milestone review calendar for evaluation and approval by the IRB. The CFO maintains a control review schedule for all projects and systems in the organization's investment portfolio and monitors investments quarterly. The IRB conducts in-depth reviews of projects at their discretion or if the cost, schedule, or performance varies more than 10 percent from expectations.

- ***FASA V and Earned Value***

The Federal Acquisition Streamlining Act, Part V (FASA V) requires agencies to annually report to OMB and Congress on the state of their investment portfolio, specifically: on average, 90% of the investments are on schedule, on budget and meeting performance goals. If specific investments are not meeting these requirements, the agency head, by law, must institute corrective actions or terminate the project.

I-TIPS has been developed to enable bureaus to collect, maintain and report up-to-date cost and schedule information and calculate earned value.

I-TIPS provides the ability to track cost and schedule information. The earned value table created in I-TIPS includes a work breakdown structure, as well as planned, actual, and target cost and schedule information. From the information collected within this table, earned value and several other project management variables, such as cost and schedule variances, are automatically calculated by the system. This earned value information will also be reported in the Exhibit 300.

The bureau IRB will use this information as part of the control activities. If done right, the bureau has several opportunities during the fiscal year to identify problems and order corrections or cancel the project.

- ***REPORTING FASA V REQUIREMENTS TO THE DEPARTMENT***

Bureaus will use I-TIPS as part of their IT capital planning and investment control activities for all investments reported to Treasury and OMB through the annual budget submission.

Much of the data resides, and should be maintained, in I-TIPS. This data is found in the *Control Cost and Schedule Information* folder and *Performance Measures* folder.

Bureaus will provide the Department access to the quarterly results within one month after the conclusion of each quarter. The CIO's office will summarize quarterly results for use by the Assistant Secretary for Management, Capital Investment Review Board, and other Treasury offices.

Fourth quarter results will be used by Treasury's Office of Procurement to respond to OMB and Congress on FASA V.

- ***Assessing Developing Projects***

Through the Control Phase, the organization determines it still has a valid business case to continue the developing project. If the case continues to be valid, the organization will assess the project's progress against planned cost, schedule, performance and technical baselines. The primary purpose of this assessment is to ensure the project is on schedule and to help identify issues or deficiencies that require corrective action. In some instances, where the business case may no longer exist or be as strong, or if significant changes to the cost, schedule, and technical baselines are required, it may also be necessary to re-assess the project.

The key questions that the organization should regularly ask are:

- Is there still a need for the project?
- Does the project meet and will it continue to meet its planned cost, schedule, technical, and security baselines?

The organization should apply applicable screening criteria to determine whether the project has met expectations, and identify any deficiencies and corrective actions needed.

- ***Annual Investment Review (Developing Projects and On-Going Systems)***

Each year the investment will undergo a comprehensive control review during the annual investment review. The IRB will use the results of these more detailed reviews during preparation of the Bureau's investment portfolio. The CFO should be an active participant in this review process. In preparation for the annual investment review, major investments in the Control Phase should prepare an Exhibit 300 and any other information the IRB determines to be useful. Some critical information that needs to be considered annually include the following:

- Actual Cost, schedule and performance vs. baseline
- Validated/updated CBA
- Risks
- Security
- Enterprise Architecture, including IT accessibility for persons with disabilities (Section 508)
- Telecommunications Plan
- Presidential and Secretarial priorities.

ANNUAL PORTFOLIO DECISIONS

To support annual portfolio management decision efforts, the organization should establish an acceptable ratio of high, medium, and low risk investments to achieve organizational objectives and future needs. The balance between the various risks of the Operational, Technical, Financial, and Organizational components are part of portfolio selection. Additionally, the IRB should take a strategic view. This view should:

- Use a broad understanding of the environment and the Bureau's need in identifying which investments produce the maximum results.
- Determine which investments are of particular interest to the Bureau (through its strategic goals and policies), Administration, and Congress
- Consider the results of not selecting the investment
- Evaluate mandatory investments in terms of the overall pool and whether the investment must be made now or in the future.

TREASURY/OMB TIMELINE

Exhibit 300s will be due to Treasury in mid-Summer. After the Exhibit 300s are received, Treasury will pull together a cross-functional team (a DST) to assess them. Treasury will use a defined scoring approach to rate and rank all major investments. Results will be provided to the Assistant Secretary for Management. The CIO's office will also provide each bureau with the scoring results and identify any remaining areas in need of improvement prior to the OMB submission.

After the review, bureaus will have the opportunity to update their Exhibit 300s in preparation for the OMB submission.

In late Summer, the Treasury will require that these exhibits be re-submitted. The same types of bureau activities that occurred during spring also occur here. The CPO and CFO are involved, as may be a DST.

In early Fall, Treasury submits the budget to OMB. This includes the Exhibits 300, 53 and 52. OMB conducts internal assessments and scoring. The result is the OMB Passback, which we receive in late Fall. Through this Passback, OMB provides Treasury with scoring results and funding decisions. After Passback, Treasury has one final opportunity to update and improve the Exhibits.

In Winter, OMB makes their final decisions on the President's Budget. These final decisions establish the approved baselines for our IT capital investments.

SECTION D—PHASE 4: EVALUATE

PURPOSE

The purpose of the Evaluate Phase is to compare actual to expected results after a project is completed or cancelled. This is done to assess the project's impact on mission performance, identify any investment changes or modifications that may be needed, and revise the investment management process based on lessons learned. The Evaluate Phase is intended to 'close the loop' on the investment management process by comparing actuals against estimates in order to assess the performance and identify areas where decision-making can be Improved.

The Evaluate Phase focuses on project outcomes:

- Determining whether the project met its performance, cost, and schedule objectives. If it didn't, why?
- Determining the extent to which the project management process improved or hampered the project outcome.

The outcomes are measured by collecting performance data, comparing actual to projected performance and conducting a Post Implementation Review (PIR) to determine the project's efficiency and effectiveness in meeting or not meeting performance and financial objectives. The PIR includes a methodical assessment of the investment's costs, performance, benefits, documentation, mission, and level of customer satisfaction. The organization conducts the PIR and results are reported to the CFO, CPO, and IRB to provide a better understanding of initiative performance and assist the sponsor and CIO in directing any necessary adjustments. Additionally, results from the Evaluate Phase are fed back to the Pre-Select, Select, and Control Phases as documented lessons learned.

PROCESS

In the Evaluate Phase, projects move from completion or cancellation to a PIR. (In reality, once the project is complete, it will generally move directly into an operational system that will be continually monitored as part of the CONTROL phase. During project development and until completion, the project is continually monitored for performance, outages, maintenance activities, costs, resource allocation, defects, problems, scheduling, and asset changes. Project stability is also periodically evaluated. During the PIR, actual performance collected is compared to performance projections made during the Select Phase. Then lessons learned for both the project and the CPIC process are collected and used to improve the entire process.

- ***Conduct Post Implementation Review (PIR) and Present Results***

The PIR's timing is usually determined during the Control Phase, and should be a defined milestone. The PIR for a newly completed project generally should take place within six to twelve months after the completion. In the case of a terminated asset, it should take place immediately because the review will help to document any "lessons learned" that can be factored into future investment decisions and activities.

At the heart of the PIR is the investment evaluation in which the organization looks at the impact the project has had on customers, the mission and program, and the operational capability.

The investment evaluation focuses on three areas:

- **Impact to stakeholders**—Measure the Impact the completed project has on stakeholders through user surveys (formal or informal), interviews, and feedback studies. A summary of results is usually produced.
- **Ability to deliver the performance measures (quantitative and qualitative)**—The project's Impact on mission and program should be carefully evaluated to determine whether the asset delivered expected results. This information should be compared to the project's original performance goals. This evaluation and comparison should also include a review of the project's security and telecommunications infrastructure performance measures.
- **Ability to meet baseline goals**—The following areas should be reviewed to determine whether the project met its baseline goals:

Return—Present actual lifecycle returns to date;

Funding Sources—Present actual funds received from planned funding sources;

Schedule—Provide original baseline and actual initiative schedule;

Architectural Analysis—Determine whether the project adhered to the Department's architectural standards or what modifications are required to ensure that the completed project will comply with the architectural baseline;

IT Accessibility Analysis—Determine whether the project addresses accessibility for persons with disabilities, how the requirements were managed, and Impact on the architecture.

Telecommunications Analysis—Determine whether the project adhered to the Department's telecommunications standards and performance measures or what modifications are required to ensure that the initiative will comply with the original baseline.

Risk Analysis—Identify project risks and how they were managed or mitigated, as well as their effects.

Systems Security Analysis—Identify project security risks and how they were managed or mitigated as well as security performance measures

Status Information Evaluation Analysis-Providing project status information, including the evaluation decision, decision date and review requirements.

After the completion data has been collected and reviewed, a formal PIR is presented to the CFO. For initiatives with a variance of greater than 10 percent from the original baseline, the analysis of these variances will be included in the PIR. The presentation should summarize the evaluation and provide a summary of recommendations for presentation to the IRB.

- ***Review Initiative's PIR Results and Recommend Appropriate Action***

The CFO reviews the PIR results and provides any comments and/or questions to the IRB.

- ***Prepare Investment Review Submission Package***

To prepare for the investment review, the bureau develops a package of materials that address the PIR strategic investment criteria, the strategic investment criteria for security and infrastructure/architecture, and Secretarial priority. The package of materials should address the following areas in this order:

- Introduction and brief overview of the investment
- PIR
- Validated/updated CBA
- Security
- Enterprise Architecture, including IT accessibility for persons with disabilities (Section 508)
- Telecommunications Plan
- Presidential or Secretarial priority.

APPENDIX F – REFERENCES AND HELPFUL SOURCES

- General Accounting Office, Information Technology Investment Management: A Framework for Assessing and Improving Process Maturity (Exposure Draft). AIMD-10.1.23. www.gao.gov/special.pubs/ai10123.pdf
- Capital Programming Guide, Office of Management and Budget, July 1997 http://www.whitehouse.gov/omb/circulars/a11/cpgtoc.html
- Circular No. A-11, Preparing and Submitting Budget Estimates, Office of Management and Budget, July 2001 http://www.whitehouse.gov/omb/circulars/a11/01toc.html
- Circular A-94, Discount Rates to be Used in Evaluating Time-Distributed Costs and Benefits, Office of Management and Budget, 1992 http://www.whitehouse.gov/omb/circulars/a094/a094.html
- Circular A-127, Financial Management Systems, Office of Management and Budget, 1993 http://www.whitehouse.gov/omb/circulars/a127/a127.html
- Circular A-130, Management of Federal Information Resources, Office of Management and Budget, http://www.whitehouse.gov/omb/circulars/a130/a130trans4.html
- Federal CIO Council, Federal Enterprise Architecture, Version 1.1, September 1999 http://www.cio.gov/Documents/fedarch1%2Epdf
- Federal CIO Council, Smart Practices in Capital Planning, October 2000 http://www.cio.gov/Documents/smart%5Fpractices%5Fbook%2Epdf
- General Accounting Office, Information Technology Investment Management: A Framework for Assessing and Improving Process Maturity (Exposure Draft). AIMD-10.1.23. www.gao.gov/special.pubs/ai10123.pdf
- Information Technology Resources Board, Assessing the Risks of Commercial Off-the-Shelf Applications, December 1999 http://www.itrb.gov/documents/cotsfinal%2Edoc